



EXHIBIT E

May 22, 2014

Schools and Libraries Division – Correspondence Unit  
Letter of Appeal  
30 Lanidex Plaza West  
PO Box 685  
Parsippany NJ 07054-0685

Appellant/Organization Name: Monroe County Community School Corporation BEN: 130631  
Contact Name: Charlie Hobbs  
Telephone Number: 765-855-1612  
Fax Number: 765-855-1615  
E-mail Address: charlie@adtecerate.com

### **This is a letter of appeal.**

APPEAL – Funding Commitment Adjustment for FRN 2451436  
Date of the Notification: May 2, 2014  
FRN: 2451436  
Billed Entity Name: Monroe County Community School Corporation  
Billed Entity Number (BEN): 130631  
Form 471 Application Number: 890153  
Billed Entity FCC RN: 0013902333  
Applicant Form Identifier: 2013-371  
Service Provider Identifier Numbers (SPIN): 143001756

I am appealing the notification of Funding Commitment Adjustment Report for Form 471 Application Number: 890153. Specifically, the statement “After multiple requests for documentation and application review it has been determined that this funding commitment must be rescinded in full. On the FY 2013 FCC Form 470 you certified that all bids received would be carefully considered and that the bid selected would be for the most cost-effective service or equipment offering and you certified that you reviewed and complied with all FCC, state and local procurement/competitive bidding requirements. It was determined that the winning service provider Smithville Telephone Company, Inc. was not the highest scoring bidder based on the vendor evaluation criteria and the results listed in your bid evaluation sheets. According to documentation provided by the applicant AT&T was the only bidder that was evaluated. FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services ordered, and by submitting a complete description of services requested so that it may be posted for competing providers to evaluate and certify criteria under penalty of perjury. Since you failed to consider all bids received and choose the most cost-effective solution, and failed to comply with FCC competitive bidding requirements you violated the competitive bidding process. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.”

**Rationale:**

Monroe County Community School Corporation responded to all requests for documentation and did not violate competitive bidding rules.

Even though the Funding Commitment Adjustment report states "After multiple requests for documentation..." I have checked the record and found only one request was received. The record does not support the statement "After multiple requests for documentation..." The one and only request was received March 28, 2014 and the response was provided April 2, 2014. Please see **Exhibit A**. On March 27, 2014 a Split FRN Operational SPIN Change Request was submitted. An additional question request was made March 28, 2014 by the Client Operations team with a response provided April 2, 2014. Even though I thought the response was complete I can now see that it led the review team to an incorrect determination. I did include a bid evaluation worksheet for the centrex lines and did not include one for the POTS lines. **Exhibit B** is the final bid evaluation for the POTS lines.

Monroe CCSC covers over 411 square miles and has historically been serviced by two service providers for local telephone service. AT&T provides centrex lines, and Smithville Telephone provides POTS lines. Each service provider provides different services to the school corporation but all fall under the function of Telephone Service. **Exhibit C** FY2013 Eligible Service List identifies the services falling under the Telephone Service function. Both centrex and POTS fall under Telephone Service.

Both service providers serve specific geographical regions of the school corporation. AT&T is the LEC for a specific geographical area of the school corporation and Smithville Telephone is the LEC for another specific geographical area of the school corporation. The two service providers do not overlap service areas.

For FY2013 Monroe County CSC posted 470 #402670001050542 and received one bid that was from AT&T for Centrex Services that were coming off contract 6/30/2013. In order to secure a cost effective solution the applicant entered a new contract for the Centrex services with AT&T which only serves a specific geographical area of the school corporation.

Smithville Telephone Company on the other hand serves as the LEC for a specific geographical area of the school corporation and provides POTS as a tariffed service for this area only. My error was I did not submit a bid evaluation for the POTS lines but only for the Centrex lines. Please see Exhibit B for this evaluation. This error was made because I interpreted the request for the bid evaluation worksheet for the Centrex lines only. AT&T Centrex service is not available in the Smithville geographic area. See **Exhibit D** for verification of this statement.

All competitive bidding rules of the program were followed. Competitive bidding rules are not the issue in this case. The true issue is the use of two different services under the same function. Monroe County Community School Corporation must have each entity covered with appropriate local and long telephone service. In Monroe CCSC case they use two different service providers that cover different geographical areas with different services under the same function.

I respectfully request that the Funding Commitment Adjustment be rescinded and FRN 2451436 be fully restored.

Thank you for your consideration of this appeal.

Respectfully submitted,

A handwritten signature in blue ink that reads "Charlie Hobbs". The signature is fluid and cursive, with the first name "Charlie" and last name "Hobbs" clearly legible.

Charlie Hobbs, E-Rate Contact



# EXHIBIT A

**Charlie Hobbs**

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**From:** Charlie Hobbs  
**Sent:** Wednesday, April 02, 2014 8:11 AM  
**To:** Serieux, Kristan  
**Subject:** RE: Important Information Regarding Your SPIN Change Request Application 890153 FRN 2451436  
**Attachments:** FY2013 470 Evaluation Local Telephone Service.xls

Kristan – Thanks for your patience. I took a long weekend and went to New Orleans. I have attached the document you requested. Thanks,

*Charlie Hobbs*

AdTec, Inc  
PO Box 97  
Centerville, IN 47330  
Toll Free: 866-855-1845 ext. 1008  
Fax: 765-855-1615

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**From:** Serieux, Kristan [<mailto:Kristan.SERIOUX@sl.universalservice.org>]  
**Sent:** Friday, March 28, 2014 1:52 PM  
**To:** Charlie Hobbs  
**Subject:** Important Information Regarding Your SPIN Change Request Application 890153 FRN 2451436

Date: March 28, 2014

Charlie Hobbs  
MONROE COUNTY COMM SCHOOL CORP  
765-855-1612  
FCC Form 471# 890153  
Response Due Date: **04/04/2014**

The Client Operations team is in the process of reviewing your SPIN change request. To complete our review, we need some additional information. The information needed to complete the review is listed below.

Your request to change the Service Provider Identification Number (SPIN) and the Service Provider for **FRN 2451436** did not include all the necessary information to process your request or we have additional questions regarding your SPIN change request. Please provide the following information:

- Please provide the following information regarding the original competitive bidding process:
- Provide the final bid evaluation worksheet (a listing of the bid weighting factors and individual vendors' scores for all vendors that participated in the original competitive bidding process) for the services requested in FRN(s) associated with the SPIN change.

For additional information, see <http://www.usac.org/sl/applicants/before-youre-done/spin-changes/default.aspx>.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

Please provide this information to me as soon as possible within the next 7 calendar days (by 04/04/2014). Failure to do so may result in a dismissal of the SPIN change request, without further request. In this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me within this 7 day period.

Should you wish to cancel your SPIN change request, please clearly indicate in your response that it is your intention to cancel your SPIN change request. Include in any cancellation request the FCC Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

**Kris Serieux**

Client Operations Reviewer

USAC, Schools and Libraries Division

Phone: 973-581-6706

Fax: 973-599-6526

E-mail: [kseriou@sl.universalservice.org](mailto:kseriou@sl.universalservice.org)

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## Evaluation of E-Rate Proposals

School District: Monroe County Community School Corporation

FCC Form 470 Responses for 402670001050542

Funding Year: 2013

Service: Local Telephone Service

VENDOR :	AT&T		
Date that the proposal was received:	1/24/2013		
1. Price - 30%	30		
2. Compliance with specification or RFP document - 20%	20		
3. The level of service/support/maintenance provided in the proposed service without additional cost - 20%	20		
4. Satisfactory previous business/working relationship with the provider - 20%	20		
5. References from other school districts supporting satisfactory performance of the service from the vendor - 10%	0		
Total: 100%	90	0	0

EXHIBIT B

**Evaluation of E-Rate Proposals**School District: Monroe County Community School CorporationFCC Form 470 Responses for 402670001050542Funding Year: 2013Service: Local Telephone Service POTS lines

VENDOR :	No bids received		
Date that the proposal was received:			
1. Price - 30%			
2. Compliance with specification or RFP document - 20%			
3. The level of service/support/maintenance provided in the proposed service without additional cost - 20%			
4. Satisfactory previous business/working relationship with the provider - 20%			
5. References from other school districts supporting satisfactory performance of the service from the vendor - 10%	0		
Total: 100%	0	0	0



EXHIBIT C

# Schools and Libraries Universal Service Support Mechanism

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## Eligible Services List

CC Docket No. 02-6; GN Docket No. 09-51

*Released: September 27, 2012*

The Federal Communications Commission's rules provide that all services that are eligible for to receive discounts under the Schools and Libraries Universal Service Support Mechanism (otherwise known as the E-rate program or "E-rate") are listed in this Eligible Services List (ESL). The E-rate program is administered by the Universal Service Administrative Company (USAC).

***Background:***

The E-rate program provides eligible schools and libraries discounts for eligible services and products. Consistent with prior years, in each category the ESL first lists the services and products that are eligible for funding, and then lists the services and products that are not eligible for funding. Under the E-rate program, E-rate funds are allocated according to rules of priority, with first priority given to requests for telecommunications services, telecommunications, and Internet access services; these services are listed in the "Priority One" section of the ESL. The remaining available funds are allocated to requests for support for internal connections and basic maintenance of internal connections; these services are listed in the "Priority Two" section of this ESL. There is also a Miscellaneous section, and at the end of this ESL, a Special Eligibility Conditions section and a Glossary, providing additional information and definitions for many of the terms used herein.

Note on FCC Form 471. For Block 5 of the FCC Form 471, for Priority One services, applicants must indicate the services they select as a Priority One Telecommunications Service or Priority One Internet Access. The applicant may select one or the other category depending on the provider of the service (*i.e.*, if the service is one that could be requested as a telecommunications service or Internet access, but the applicant checks "Telecommunications Services" on Block 5, the service needs to be provided by a "telecommunications carrier" (see "Special Regulatory Requirements" in the Special Eligibility Conditions section below)). After an applicant has complied with E-rate competitive bidding requirements and selected its vendors, it may consult with each vendor about which service category in Block 5 of the FCC Form 471 the applicant should use in describing the service the vendor will be providing. See also "Administrative Convenience" below for additional information regarding combined service offerings.

Administrative Convenience. Some service offerings provide a combination of both Internet access and telecommunications services, which are both Priority One services. For example, a service provider may offer local phone service, long distance service, and Internet access for one price. For administrative convenience, such a combined offering, if provided by a telecommunications carrier, may be requested in the telecommunications services category of service on the FCC Form 471. Alternatively, funding may be requested as two separate requests, with the price of the offering appropriately allocated between the telecommunications services and Internet access categories.

CIPA Reminder. The funding of Internet access in the telecommunications services category *does not* relieve applicants of complying with the requirements of the Children's Internet Protection Act (CIPA) if the service request includes Internet access.



Additional information about eligibility requirements is available at USAC's website at <http://www.usac.org/sl/>, the reference area of the USAC website at <http://www.usac.org/sl/tools/reference-area.aspx>, and in Schools and Libraries News-briefs available at <http://www.usac.org/sl/tools/news-briefs/Default.aspx>. These documents are not incorporated by reference into the Eligible Services List.

This List, dated **September 27, 2012** may represent a change from prior funding years and applies to funding requests for Funding Year 2013.

	<p>Eligible Internet access may include features typically provided for when provided as a standard component of a vendor's Internet access service. Such features may include: <u>Domain Name Service</u>, <u>Dynamic Host Configuration</u>, and basic <u>Firewall</u> protection against unauthorized use and access. Firewall protection may not be provided by a vendor other than the Internet access provider and may not be priced out separately.</p> <p>A <u>Wide Area Network</u> can be eligible for funding as a part of Internet access if the service is limited to basic conduit access to the Internet.</p>
Paging	<p><u>Paging</u> services are eligible when integral, immediate, and proximate to the education of students.</p>
Telephone Service	<p>Costs to subscribe to a telephone service are generally eligible for discount, including the costs for the following telephone services:</p> <ul style="list-style-type: none"> <li>• <u>800 service</u>, e.g., a toll-free telephone number for students to contact school regarding questions about homework</li> <li>• <u>Centrex</u></li> <li>• <u>Local phone service</u></li> <li>• <u>Long distance telephone service</u></li> <li>• <u>POTS</u> ("Plain Old Telephone Service")</li> <li>• <u>Radio loop</u></li> <li>• <u>Satellite</u></li> <li>• <u>Wireless telephone services</u>, e.g., <u>cellular service</u> and Personal Communications Services (PCS) <ul style="list-style-type: none"> <li>◦ See the Internet Access category for the eligibility of <u>Wireless Internet access</u>/e-mail plans for portable electronics</li> </ul> </li> </ul> <p>Shared telephone service (only that portion of the shared service relating to the eligible use and location may receive discounts)</p> <p>Various payment options may be used with these eligible services, and phone bills may include billing terms, such as, <u>flat rate</u>, <u>local measured service</u>, and <u>message rate service</u>. <u>Phone calling cards</u> may also be eligible, if they are used for an educational purpose.</p> <p>Service to an eligible location for educational or library purposes can provide voice communication, fax connections, modem connections, <u>911</u> or an <u>alarm</u>.</p>
Telephone Service Components	<p>Telephone features indicated in this section are eligible for discount if they are a component part of a telephone service. Generally, this requirement means that these charges will appear on the same bill as the telephone service itself.</p> <ul style="list-style-type: none"> <li>• <u>900\976 Call blocking</u></li> <li>• <u>Text messaging</u></li> <li>• <u>Custom calling services</u></li> <li>• <u>Direct Inward Dialing (DID)</u></li> <li>• <u>Directory assistance charges</u></li> </ul> <p>An <u>inside wire maintenance plan</u> is eligible as a component part of</p>

**Charlie Hobbs**

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**From:** BARBARA J BUCKNER <bbuckner@mccsc.edu>  
**Sent:** Friday, May 16, 2014 2:37 PM  
**To:** Charlie Hobbs  
**Subject:** RE: USAC Appeal

Hi Charlie,

I think this sounds good. The part I think they missed is that the AT&T Centrex service is not available in the Smithville geographic area. If it was, then we would probably do all Centrex. But the only bidder (AT&T) did not provide a bid for that service area. So we went with the only provider in that area (Smithville) at the tariff rates.

I won't ask you to do a SPIN request again either! What a hassle this has created!  
Thanks Charlie!! Barb

Barbara Buckner  
Assistant Director of Business Operations Monroe County Community School Corp  
315 E North Drive  
Bloomington, IN 47401  
812-330-7700 x50010  
812-349-4790 (3)

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**From:** Charlie Hobbs [charlie@adtecerate.com]  
**Sent:** Friday, May 16, 2014 2:08 PM  
**To:** BARBARA J BUCKNER  
**Subject:** USAC Appeal

Barb – As I told you last week I received a Notification of Commitment Adjustment Letter (see attached file) from USAC basically stating they believe we violated fair and competitive bidding rules with Smithville Telephone Company. As a result USAC plans to cancel the complete FRN for Smithville Telephone Company. We have 60 days or until July 2nd to file an appeal. Of course I do not want to wait that long. This notification was a result of our Operational SPIN request to move some funds from AT&T to Smithville. Probably will never do that again. It use to be so easy.

I have attached the appeal I have drafted. Please review and see if you think some additional detail needs to be added. I would like to file this next Friday, May 23rd if possible. I appreciate you looking this over. Thanks,

Charlie Hobbs  
AdTec, Inc  
PO Box 97  
Centerville, IN 47330  
Toll Free: 866-855-1845 ext. 1008  
Fax: 765-855-1615



## Charlie Hobbs

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**From:** Appeals <appeals@sl.universalservice.org>  
**Sent:** Thursday, May 22, 2014 12:16 PM  
**To:** Charlie Hobbs  
**Subject:** Appeal

Thank you for submitting your correspondence by e-mail to the Schools & Libraries Division (SLD) of the Universal Service Administrative Company.

This message serves as a receipt confirmation of your submission.

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**Administrator's Appeal Acknowledgement Letter**  
(Funding Year 2013: 07/01/2013-06/30/2014)

May 22, 2014

Charlie Hobbs  
AdTec, Inc  
PO Box 97  
Centerville, IN 47330

Subject: Monroe County Comm School Corp

Charlie Hobbs,

Universal Service Administrative Company has received your correspondence regarding the 2013 funding decision of your FCC Form 471 Application Number 890153.

These are the steps that will now follow:

1. We will review your correspondence carefully to identify the specific issue(s) it raises.
2. We will consult the Program Integrity Assurance (PIA) records and all supporting documentation for the application. Our goal is to determine whether the program rules were administered appropriately in processing your application.
3. Once the review process is completed we will respond in writing and state whether your appeal is approved, denied or approved in part. A Revised Funding Commitment Decision Letter will follow for any approved appeal resulting in additional discounts for your application. Funds have been set aside to implement funding decisions for appeals approved by the USAC and/or the Federal Communications Commission.

We will perform an in-depth review of your appeal. Our goal is to respond to you as promptly as possible. We thank you in advance for your patience as we handle your appeal with the care and attention it deserves.

Universal Service Administrative Company